

AR02



Executive Officers

Chairman and President W. Earle McLaughlin

Deputy Chairman and Executive Vice-President John H. Coleman

Deputy Chairman and Executive Vice-President J. K. Finlayson

Vice-President and Chief General Manager R. C. Frazee

MONTREAL

Vice-Presidents

J. H. Cornish (*General Manager, Administration*)

B. J. McGill (*General Manager, International*)

W. Moodie (*General Manager, Loans and Investments*)

H. E. Wyatt (*General Manager, Canadian Districts*)

Senior General Manager

R. W. Shannon

Deputy General Managers

J. E. Broadley

M. G. Clennett

T. S. Dobson

J. C. McMillan

J. E. Morgan

R. C. Paterson

J. W. Powell

R. A. Utting

Assistant General Managers

R. L. Arsenault

R. M. Cattell

D. S. Coombes

C. N. Downing

P. A. Fréchette

W. A. Gohl

A. G. Halliwell

N. H. P. Hardinge

H. S. Hardy

T. C. Heckman

A. D. Insley

L. M. Irvine

A. A. Johnson

B. M. Lamont

A. H. MacKenzie

J. A. Milburn

R. M. Mitchell

C. O. Rochon

J. Scholes

P. J. Sharp

W. S. Snook

Secretary

L. A. Taylor

AT OTHER LOCATIONS

Vice-Presidents

D. W. Morison (*Toronto*)

J. M. Banks (*Toronto*)

W. D. H. Gardiner

(*District General Manager, Vancouver*)

Deputy General Managers

W. L. Arthur (*Toronto*)

G. B. Langley (*Toronto*)

H. E. McClenaghan (*Calgary*)

Assistant General Managers

G. C. Aitken (*Toronto*)

R. B. Ashforth (*Vancouver*)

S. A. Cross (*Winnipeg*)

J. J. Fortune (*Halifax*)

W. D. Henry (*London*)

H. G. Hurd (*Regina*)

W. A. R. MacDonald (*Toronto*)

W. G. McPherson (*Toronto*)

A. H. Michell (*Toronto*)

M. O. P. Morrison (*Toronto*)

J. F. Smith (*Nassau*)

R. G. P. Styles (*London*)

A. de Takacsy (*Paris*)

A. R. Taylor (*Toronto*)

R. A. Thomas (*New York*)

E. K. Upstone (*Toronto*)

G. B. Wilson (*Toronto*)

THE ROYAL BANK OF CANADA Annual Statement 1972

as at October 31st

Notice to Shareholders

The annual general meeting of the shareholders of the Bank will be held at the Head Office, The Royal Bank of Canada Building, Place Ville Marie, in the City of Montreal, on Thursday the 11th day of January, 1973, at 11 o'clock, a.m.

The annual report, and the proceedings of the annual meeting, will be sent to all shareholders of the Bank in due course. For the information of shareholders, the valuation day value of the Bank's capital stock for capital gains tax purposes as published by the Department of National Revenue, Taxation, is \$29.50.

Statement of Revenue, Expenses and Undivided Profits

	Year Ended October 31 1972	Year Ended October 31 1971
REVENUE		
Income from loans	\$ 728,293,653	\$ 664,347,737
Income from securities	114,300,278	119,775,696
Other operating revenue	100,534,499	88,953,171
✓ Total Revenue	\$ 943,128,430	\$ 873,076,604
EXPENSES		
Interest on deposits and bank debentures	\$ 462,656,283	\$ 452,539,578
Salaries, pension contributions and other staff benefits	181,680,722	166,342,265
Property expenses, including depreciation	48,857,262	45,234,946
Other operating expenses, including provision for losses on loans based on five year average loss experience	84,434,837	68,577,763
Total Expenses	\$ 777,629,104	\$ 732,694,552
✓ Balance of revenue	\$ 165,499,326	\$ 140,382,052
✓ Appropriation for losses (note 2)	68,700,000	52,430,000
Balance of profits before income taxes	\$ 96,799,326	\$ 87,952,052
✓ Provision for income taxes relating thereto	45,400,000	43,900,000
✓ Balance of profits for the year (per share 1972—\$1.55; 1971—\$1.32)	\$ 51,399,326	\$ 44,052,052
Dividends (per share 1972— 96¢; 1971— 88¢)	31,933,440	29,272,320
Amount carried forward	\$ 19,465,886	\$ 14,779,732
Undivided profits at beginning of year	3,315,606	3,535,874
Transfer from accumulated appropriations for losses	15,000,000	—
	\$ 37,781,492	\$ 18,315,606
Transferred to Rest Account	33,000,000	15,000,000
Undivided profits at end of year	\$ 4,781,492	\$ 3,315,606

Statement of Accumulated Appropriations for Losses

(Bracketed amounts are deductions)

	Year Ended October 31 1972	Year Ended October 31 1971
ACCUMULATED APPROPRIATIONS AT BEGINNING OF YEAR		
General appropriations	\$ 112,107,621	\$ 116,634,889
Tax-paid appropriations	74,085,555	43,829,877
Total	\$ 186,193,176	\$ 160,464,766
Appropriation from current year's operations	\$ 68,700,000	\$ 52,430,000
Loss experience on loans for the year, less provision for losses (included in other operating expenses) based on five year average loss experience	(2,222,337)	(4,752,312)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and the provinces to values not exceeding market	8,326,042	5,252,686
Other profits, losses and non-recurring items, net	3,343,265	(1,601,964)
Provision for income taxes	(33,500,000)	(25,600,000)
Transferred to undivided profits	(15,000,000)	—
ACCUMULATED APPROPRIATIONS AT END OF YEAR		
General appropriations	\$ 104,786,326	\$ 112,107,621
Tax-paid appropriations	111,053,820	74,085,555
Total	\$ 215,840,146	\$ 186,193,176

Notes to Financial Statements

- The financial statements include the results of operations, and the assets and liabilities of the following subsidiaries of the Bank:
 The Royal Bank of Canada (France)
 The Royal Bank of Canada (Middle East) S.A.L.
 The Royal Bank of Canada International Limited and subsidiaries
 The Royal Bank of Trinidad and Tobago Limited
- Under revised rules issued by the Minister of Finance in September 1969 prescribing the maximum level of accumulated general appropriations for losses, these appropriations for losses are not allowable as deductions in the determination of taxable income. The provisions for income taxes relating thereto have been charged to the accumulated appropriations for losses.
- The debentures bear interest at 7% per annum and are due on April 15, 1991 subject to the right of the holder of any debenture to elect that such debenture mature on April 15, 1977.
 The Bank will issue an additional \$50,000,000 of 7½% debentures to be dated December 1, 1972 and to mature on December 1, 1987 subject to the right of the holder of any debenture to elect that such debenture mature on June 1, 1979. The net proceeds of this issue will be available to the Bank for use in its banking business.

Statement of Asset

ASSETS	October 31 1972	October 31 1971
Cash and due from banks	\$ 3,176,337,691	\$ 2,690,068,544
Cheques and other items in transit, net	511,906,550	313,299,117
Total Cash Resources	\$ 3,688,244,241	\$ 3,003,367,661
Securities issued or guaranteed by Canada, at amortized value	\$ 1,788,259,052	\$ 1,692,518,091
Securities issued or guaranteed by provinces, at amortized value	77,197,296	57,464,812
Other securities, not exceeding market value	430,591,990	508,872,102
Total Securities	\$ 2,296,048,338	\$ 2,258,855,005
Day, call and short loans to investment dealers and brokers, secured	\$ 363,366,606	\$ 338,294,826
Other loans, including mortgages, less provision for losses	7,747,686,202	6,635,619,087
Total Loans	\$ 8,111,052,808	\$ 6,973,913,913
Bank premises at cost, less amounts written off	\$ 119,920,428	\$ 117,345,659
Securities of and loans to corporations controlled by the bank	101,305,611	112,542,490
Customers' liability under acceptances, guarantees and letters of credit, as per contra	446,155,557	480,482,940
Other assets	4,789,033	7,070,430
	\$14,767,516,016	\$12,953,578,098

nd Liabilities

LIABILITIES	October 31 1972	October 31 1971
Deposits by Canada	\$ 121,255,206	\$ 208,518,909
Deposits by provinces	413,627,213	355,762,146
Deposits by banks	1,922,592,620	1,384,554,632
Personal savings deposits payable after notice, in Canada, in Canadian Currency	4,607,613,599	4,199,463,121
Other deposits	6,472,292,952	5,624,002,387
Total Deposits	\$13,537,381,590	\$11,772,301,195
Acceptances, guarantees and letters of credit	\$ 446,155,557	\$ 480,482,940
Other liabilities	50,829,231	31,757,181
Total Sundry Liabilities	\$ 496,984,788	\$ 512,240,121
Accumulated appropriations for losses	\$ 215,840,146	\$ 186,193,176
Debentures issued and outstanding (note 3)	\$ 75,000,000	\$ 75,000,000
Capital stock:		
Authorized—50,000,000 shares of \$2 each <u>\$100,000,000</u>		
Issued and fully paid—33,264,000 shares	\$ 66,528,000	\$ 66,528,000
Rest Account, increased by a transfer from undivided profits of \$33,000,000 (1971 — \$15,000,000)	371,000,000	338,000,000
Undivided profits	4,781,492	3,315,606
Total Shareholders' Equity	\$ 442,309,492	\$ 407,843,606
	\$14,767,516,016	\$12,953,578,098

W. EARLE McLAUGHLIN,
Chairman and President

R. C. FRAZEE,
Vice-President and Chief General Manager

Statements of Assets and Li

THE ROYAL BANK OF CANADA TRUST COMPANY (Incorporated under the laws of the State of New York)

Statement as at October 31, 1972 (In U.S. Dollars; Canadian equivalent \$.983)

ASSETS		LIABILITIES	
Cash in banks	\$ 12,013,594	Deposits, demand	\$ 62,404,236
United States Government securities, at amortized value	4,979,353	Deposits, time	27,816,123
Other securities, at amortized value	56,941,688	Deposits by banks	678,495
Loans and discounts	28,784,410	Letters of credit	3,356,456
Real estate, building and equipment, at cost less accumulated depreciation	4,554,946	Other liabilities	754,226
Customers' liability under letters of credit	3,356,456	Capital stock fully paid (100,000 shares of \$100 each)	10,000,000
Other assets	1,533,762	Surplus Fund	1,679,000
		Undivided profits	5,475,673
	\$112,164,209		\$112,164,209

NOTES: (1) The Royal Bank of Canada owns the entire capital stock of The Royal Bank of Canada Trust Company with the exception of the directors' qualifying shares. This investment is carried on the books of the Bank at U.S. \$9,991,000.

(2) Under New York Banking Law the Surplus Fund is not available for the payment of dividends. The Fund must be built up to 65% of Capital Stock and until this has been accomplished transfers of not less than 10% of each year's net income must be made to the Fund.

GLOBE REALTY CORPORATION, LIMITED (Incorporated under the laws of Canada)

and its wholly owned subsidiary company

Globe Building Corporation

Condensed Consolidated Statement as at October 31, 1972 (In Canadian Dollars)

ASSETS		LIABILITIES	
Cash in bank	\$ 73,636	Accounts payable and other liabilities	\$ 58,173
Balance due on sale of property	800,000	The Royal Bank of Canada	19,380,304
Real estate, buildings and equipment, at cost less accumulated depreciation (note 2)	37,871,315	First mortgage bonds: Series C, 1973-1975 (\$500,000 due August 1, 1973)	2,000,000
Other assets	17,143	Capital stock fully paid (40,320 shares of \$100 each)	4,032,000
		Surplus	13,291,617
	\$38,762,094		\$38,762,094

NOTES: (1) The Royal Bank of Canada owns the entire capital stock of Globe Realty Corporation, Limited. This investment is carried on the books of the Bank at \$1,614,000.

(2) In accordance with agreements providing for the leasing of certain lands to third parties, Globe Realty Corporation, Limited has pledged lands having a cost of \$8,655,847 as part of the security for mortgages arranged by the third parties on the properties. The terms of the agreements provide that buildings on these lands become the property of the Corporation at the expiration of the leases.

ties of Controlled Corporations

ROYAL BANK TRUST COMPANY (WEST INDIES) LIMITED (Incorporated under the laws of the Bahama Islands)

and its wholly owned subsidiary companies

Royal Bank Trust Company (Barbados) Limited

Royal Bank Trust Company (Cayman) Limited

Royal Bank Trust Company (Guyana) Limited

Royal Bank Trust Company (Jamaica) Limited

Royal Bank Trust Company (Trinidad) Limited

Consolidated Statement as at September 30, 1972 (In Bahamian Dollars; Canadian equivalent \$1.011)

ASSETS		LIABILITIES	
Cash in bank	\$3,552,406	Deposits	\$5,899,959
Mortgage loans	4,446,531	Accounts payable and other liabilities	220,823
Other assets	580,115	Capital stock fully paid (550,000 shares of \$2.86 each)	1,573,000
		Surplus (including capital contributions)	885,270
	\$8,579,052		\$8,579,052

NOTE: The Royal Bank of Canada owns the entire capital stock of Royal Bank Trust Company (West Indies) Limited. This investment is carried on the books of the Bank at B\$1,571,429.

THE ROYAL BANK JAMAICA LIMITED (Incorporated under the laws of Jamaica)

Statement as at September 30, 1972 (In Jamaican Dollars; Canadian equivalent \$1.191)

ASSETS		LIABILITIES	
Cash and due from banks	\$ 6,624,910	Deposits	\$48,742,555
Cheques and other items in transit, net	1,323,301	The Royal Bank of Canada	5,269,355
Securities, at cost	5,279,120	Acceptances, guarantees and letters of credit	3,968,717
Loans and advances, less provision for losses	40,763,180	Other liabilities	544,309
Real estate, buildings and equipment, at cost less depreciation	2,288,993	Capital stock fully paid (3,000,000 stock units of \$1 each)	3,000,000
Customers' liability under acceptances, guarantees and letters of credit, as per contra	3,968,717	Surplus	334,767
Other assets	1,611,482		
	\$61,859,703		\$61,859,703

NOTE: The Royal Bank Jamaica Limited was incorporated on November 1, 1971. The Royal Bank of Canada owns 75% of the capital stock of this company. This investment is carried on the books of the Bank at Can. \$2,652,851.

Controlled Corporations (continued)

THE ROYAL BANK OF CANADA TRUST CORPORATION LIMITED (Incorporated under the laws of Great Britain)

Statement as at September 30, 1972 (In Sterling; Canadian equivalent \$2.382)

ASSETS		LIABILITIES	
Cash in bank	£ 8,172,729	Deposits	£ 9,387,677
Securities, at cost, which approximates market	267,959	Accounts payable and other liabilities	60,841
Loans and advances	30,170,805	The Royal Bank of Canada	28,838,086
Other assets	8,401	Capital stock fully paid (250,000 shares of £1 each)	250,000
		Surplus	83,290
£38,619,894		£38,619,894	

NOTE: The Royal Bank of Canada owns the entire capital stock of The Royal Bank of Canada Trust Corporation Limited. This investment is carried on the books of the Bank at £250,000.

Auditors' Reports

To the Shareholders, The Royal Bank of Canada:

We have examined the statement of assets and liabilities of The Royal Bank of Canada as at October 31, 1972 and the related statements of revenue, expenses and undivided profits and accumulated appropriations for losses for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these statements present fairly the financial position of the Bank as at October 31, 1972 and its revenue, expenses and undivided profits and its accumulated appropriations for losses for the year then ended.

Montreal, November 24, 1972

HAROLD S. MOFFET, C.A.
of Deloitte, Haskins & Sells

M. LAIRD WATT, C.A.
of Price Waterhouse & Co. | Auditors

To the Shareholders, The Royal Bank of Canada:

We have examined the statements of assets and liabilities of controlled corporations of The Royal Bank of Canada as at the dates indicated. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these statements present fairly the financial position of the corporations as at the dates indicated.

Montreal, November 24, 1972

HAROLD S. MOFFET, C.A.
of Deloitte, Haskins & Sells

M. LAIRD WATT, C.A.
of Price Waterhouse & Co. | Auditors

Royal Bank Representation

Canada

Branches

Newfoundland	20
Nova Scotia	82
Prince Edward Island	6
New Brunswick	28
Quebec	196
Ontario	482
Manitoba	88
Saskatchewan	102
Alberta	117
British Columbia	162
North West Territories	2
Yukon	1
	1,286
Other Countries	
	107

Total *(including sub-branches)* . . 1,393

Other Countries

The Royal Bank of Canada is represented through branches, subsidiary or associated banks or resident representatives in the following countries:

Antigua	Haiti
Argentina	Hong Kong
Australia	Jamaica
Bahamas	Japan
Barbados	Lebanon
Belgium	Montserrat
Brazil	Puerto Rico
British Honduras	St. Kitts
Cayman Islands	St. Lucia
Colombia	St. Vincent
Dominica	Trinidad & Tobago
Dominican Republic	United Kingdom
France	United States
French West Indies	of America
Germany	U.S. Virgin Islands
Grenada	Venezuela
Guyana	

